



Consumer Alert

Making an Informed Choice

Many Michigan residential natural gas customers now have the option of participating in the Natural Gas Customer Choice Program (Choice) or remaining a full-service customer with their current gas utility. If you participate in Choice, you will buy your natural gas from an **Alternative Gas Supplier (AGS)**. If you are considering purchasing natural gas from an AGS, there are a few things you should keep in mind.

- **You will be committing to a contract with the AGS.** The rate you will be charged for the natural gas will be set by the AGS and is **not regulated by the Michigan Public Service Commission (MPSC)**. You need to understand the terms and conditions of your contract before you commit to it.
- **Your current natural gas utility will continue to deliver the natural gas to your home, read your meter, and send your bill** whether you continue to be a full-service utility customer or you choose to purchase your natural gas from an AGS. The rates charged for these services **are** regulated by the MPSC.
- **You do not have to select an AGS to supply your natural gas** if you want to continue as a full-service customer of your regulated natural gas utility. The choice is yours.

When considering whether to remain a full-service customer of a regulated natural gas company or to sign a contract with an AGS, it is important to compare your options and understand that your choice is for the cost of gas only. Natural gas purchased from an AGS may or may not be less expensive than that purchased from the regulated utility. Read all contract provisions carefully. For additional information on choosing an AGS, see [Natural Gas Choice Is Here](#) at the Commission's website.

Sample bills of a full service utility customer and an AGS gas choice customer are compared below.

Example Full-Service Customer Utility Bill

Current Charges

Customer Charge¹ \$8.50
Distribution Charge¹ 100 Ccf @ 0.163440 = \$16.34

Gas Cost Recovery or Cost of Gas Charge

X Ccf @ current regulated rate² = \$?

Michigan Sales Tax – 4% \$

Total Current Bill \$Total

Example AGS Customer Utility Bill

Current Charges

Customer Charge¹ \$8.50
Distribution Charge¹ 100 Ccf @ 0.163440 = \$16.34

Alternative Natural Gas Supplier Charge or AGS Cost of Gas Charge

X Ccf @ AGS unregulated contract price³ = \$?

Michigan Sales Tax – 4% \$

Total Current Bill \$Total

1. Charges assessed by your utility for meter reading, billing, and delivering (distributing) the gas to your home. These charges are regulated by the MPSC and are the same whether you are a full-service or Choice customer.
2. *Gas Cost Recovery (GCR) or Cost of Gas Charge* is the price per Ccf (hundred cubic feet) for gas used during the billing period. The annual GCR price may fluctuate within a range **set by the MPSC for full-service customers**.
3. *AGS Cost of Gas Charge* is the price you pay if you are a Choice customer. This price is **not regulated by the MPSC. It is this price that you compare with the GCR price for full-service customers**. Depending on your contract, this price may be fixed for the term of your contract or may vary during the contract term.

